

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SS-15 NSC-05 SSO-00 CCO-00 /035 W
-----042577 251645Z /40

P 251100Z FEB 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 1335

C O N F I D E N T I A L CARACAS 1854

E.O. 11652: GDS
TAGS: OVIP (CARTER, JIMMY)
SUBJECT: PRESIDENT'S TRIP: CLIMATE AND THEMES

1. THE FOLLOWING GENERAL COMMENTS ON "ATMOSPHERICS" MAY BE HELPFUL IN PROVIDING A MORE UP-TO-DATE PERCEPTION OF THE GENERAL CLIMATE AND ATTITUDE THAT WILL BE ENCOUNTERED HERE BY THE PRESIDENT, AND THEREFORE HOPEFULLY MAY BE OF SOME USE IN CONNECTION WITH BRIEFING AND POSITION PAPERS BEING PREPARED FOR THAT VISIT.

2. TWO SETS OF FACTORS--ONE HAVING NOTHING TO DO WITH THE VISIT OR THE US, AND ONE REFLECTING PERCEPTIONS OF THE US AND ITS POLICIES--COMBINE TO INDICATE THAT THE GENERAL MOOD AND CLIMATE THAT WILL EXIST DURING THE PRESIDENTIAL VISIT WILL BE SLIGHTLY DIFFERENT FROM THAT THAT WOULD HAVE OBTAINED LAST NOVEMBER:

(A) THE STRESS OF APRESIDENTIAL ELECTION CAMPAIGN MERGES WITH INTENSIFYING DOMESTIC PROBLEMS, SUCH AS INFLATION, CONSUMER GOODS SHORTAGES AND FISCAL CONCERNS, TO INCREASE GENERAL SOCIETAL ANXIETIES. THE MOOD OF THE PEOPLE IS SLIGHTLY JUMPIER; THE RECENT STUDENT UNREST REFLECTS AND EXEMPLIFIES THESE ANXIETIES. THE GOVERNMENT'S TONE IS A LITTLE MORE STRIDENT AND A LITTLE LESS CONFIDENT, ITS MOOD A LITTLE LESS RELAXED AND A LITTLE MORE "PREOCCUPIED" THAN WAS THE CASE LAST YEAR.

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(B) PERCEPTIONS OF THE US AND US POLICIES HAVE INVOLVED SOME DISAPPOINTMENTS, SOME CONCERNS, ESPECIALLY IN INTERNATIONAL ECONOMIC POLICIES, AND SOME DISAGREEMENTS AS TO THE MEANING OF COMMON GOALS. ONE SENSES SLIGHTLY MORE IMPATIENCE IN PUBLIC ATTITUDES ABOUT THE US, SUCH AS THE GENERALLY EMOTIONAL AND ADVERSE REACTION OF PRESIDENT

CARTER'S COMMENTS ON US ACTION IN CASE OF ANOTHER OIL EMBARGO (CARACAS 1819). SEEMING CONTRADICTIONS AND INCONSISTENCIES IN US POLICIES ALSO CONTRIBUTE TO THIS, E.G., AN AD CONGRESSMAN RECENTLY COMAPARED, CRITICALLY, WHAT HE CALLED THE TIMIDITY AND BLANDNESS OF USG COMMENTS ON NICARAGUA WITH USG COMMENTS ON THE ITALIAN ELECTORAL SITUATION. THERE IS A GROWING DISAGREEMENT WITH WHAT THEY "SEE" AS THE US INTERPRETATION OF NON-INTERVENTION. TO THE PEREZ ADMINISTRATION THE FACT THAT PRESIDENT CARTER HAS GIVEN A MORAL CONTENT TO US FOREIGN POLICY GIVES THE US THE "AUTHORITY" TO INTERVENE IN BEHALF OF CAUSES WHICH ARE CONSIDERED GOOD, E.G., HUMAN RIGHTS, DEMOCRACY.

IN SHORT, THE GENERAL REACTION TO US, WHILE STILL VERY SYMPATHETIC, IS SOMEWHAT MORE SKEPTICAL AND RESERVED THAN IT USED TO BE.

3. IN SPECIFIC TERMS, WE WOULD CALL THE DEPARTMENT'S ATTENTION TO HOW THE GOV "SEES" THE FOLLOWING ITEMS WHICH ARE LIKELY TO COME UP IN THE BILATERAL TALKS:

(A) NICARAGUA. PRESIDENT PEREZ IS VERY CONCERNED ABOUT THE POLITICAL EVOLUTION IN NICARAGUA. HE DISAGREES WITH; OUR STRATEGY, AND SEES IT NOT AS "NEUTRAL" BUT AS SOFT ON SOMOZA. HE BELIEVES THAT A "HAND-OFF" POLICY WILL GUARANTEE A POLARIZATION AND EVENTUALLY RADICAL SOLUTION, CONFIDENTIAL

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AND HE INTERPRETS THE ARTICULATED IDEALS OF DEMOCRACY AND HUMAN RIGHTS AS JUSTIFYING SOME INTERNATIONAL EFFORT TO FOSTER A MODERATE SOLUTION. HE FEARS, IN SHORT, THAT WE ARE MISSING THE BOAT, AND HE SUSPECTS THAT THAT IS BECAUSE WE STILL SUPPORT SOMOZA (HE PERSISTENTLY QUOTES THE OLD FDR COMMENT). TO A GREAT DEGREE, OF COURSE, HIS ATTITUDE REFLECTS PERSONAL AND HISTORIC PROPENSITIES AND FILTERS (SEE LAST PARA CARACAS 1170), BUT TO SOME DEGREE, TOO, HE BELIEVES WE HAVE "BACKED AWAY" FROM WHAT THE LOGIC OF OUR RHETORIC WOULD REQUIRE. THUS, THERE IS HERE PERHAPS THE FIRST REAL DIVERGENCE IN VIEWS ON AN IDEOLOGICAL/ POLITICAL THEME.

(B) OIL/MARKETING. THE ADMINISTRATION IS DEEPLY CONCERNED OVER THE DROP IN OIL PRODUCTION AND SALES (CARACAS 1720 AND 1976). THIS IS FAST BECOMING A MAJOR ECONOMIC AND POLITICAL ITEM, AND IT COLORS THE GOV'S APPROACH TO A NUMBER OF THINGS. BECAUSE IT IS US COMPANIES WHICH HAVE REDUCED THEIR SALES, THE OLD PREJUDICES AND SUSPICIONS ABOUT THE MULTINATIONALS HAVE COME FLOWING BACK. PEREZ BELIEVES EXXON IS DELIBERATELY USING ITS CONTROL OF THE MARKET TO FORCE DOWN THE PRICE OF FUEL OIL. IT IS VERY

LIKELY THAT PEREZ WILL RAISE THIS WITH PRESIDENT CARTER AND ASK FOR US HELP IN OPENING UP MARKETS. THE SITUATION WILL NOT ONLY HAVE GENERAL ECONOMIC CONSEQUENCES, BUT MAY VERY WELL AFFECT THE GOV'S ATTITUDE ON TREATMENT OF THE OIL COMPANIES AND ON WILLINGNESS FOR FUTURE COOPERATION WITH THE US IN THE INDUSTRY. FINALLY, IT INTENSIFIES THEIR FEELING OF A GAP BETWEEN POLITICAL IDEOLOGICAL US RHETORIC AND WHAT THEY TEND TO SEE AS US INTRANSIGENCE ON NIEO AND NORTH-SOUTH.

(C) SLOWNESS OF US CONSULTATIONS. FINALLY, WE SENSE A GROWING FRUSTRATION OVER WHAT THE GOV SEES AS US SLOWNESS OR DISREGARD OF THINGS IN WHICH VENEZUELA HAS AN INTEREST. SPECIFICALLY: (A) DESPITE CONTINUED RAISING OF THE
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CARIBBEAN DEVELOPMENT ISSUE, THE GOV SEES ITSELF UNCONSULTED AND UNINFORMED ON THE LATEST DEVELOPMENTS, SUSPECTS WE ARE MANUFACTURING THE USUAL "MADE IN USA" FORMULAE TO BE "PRESENTED" TO OTHERS, AND FRANKLY WONDERS WHETHER WE ARE REALLY AS INTERESTED AS WE SAID WE WERE.

(B) DESPITE CONSULTATIONS ON BELIZE, PEREZ IS UNSURE WHAT WE INTEND TO DO OR REALLY THINK, AND HE TENDS TO BELIEVE WE ARE UNWILLING TO BE AS FIRM (OR INVOLVED) AS HE THINKS WE SHOULD AND MUST BE TO EFFECT A SATISFACTORY SOLUTION.

(C) PEREZ HAS GIVEN UP BRINGING UP THE IDEA OF ECONOMIC DEVELOPMENT AS THE WAY TO RESOLVE THE BOLIVIAN ACCESS PROBLEM BECAUSE HE GETS SO LITTLE SPECIFIC REACTION.

(D) PEREZ HAS ALSO GIVEN UP MENTIONING THE GSP TRADE LAW PROBLEM, THOUGH HE FEELS NO LESS STRONGLY ABOUT IT. IN FACT, HE RECENTLY EXPLAINED THE SLOWNESS IN BEING ABLE TO MOVE ON OIL COMPANY NATIONALIZATION PROBLEMS BY SAYING, "IT'S LIKE THE US TRADE LAW; EVERYONE IS IN FAVOR OF AMENDING IT, BUT SOMEHOW NOTHING HAPPENS." (E) HE IS SUSPICIOUS ABOUT WHAT WE WILL EVENTUALLY DO ABOUT THE COMMON FUND, AND WONDERS IF WE WILL NOT GRUDGINGLY DO AS LITTLE AS WE CAN GET AWAY WITH.

4. OTHER GENERAL STRAWS IN THE WIND CAN BE CITED--AS CAN CONTRARY DEVELOPMENTS AS WELL. BUT THE POINT TO BE MADE IS THAT THE DEGREE OF SKEPTICISM, AND EVEN CRITICISM, IN REACTION TO US HAS RISEN SOMEWHAT--AND USUALLY IT TAKES THE RATIONALIZATION THAT THIS MUST BE THE US BUREAUCRACY AS DISTINCT FROM THE PRESIDENT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CARACA01854
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Litigation History:
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Message ID: 59a3b5cf-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3477050
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT'S TRIP: CLIMATE AND THEMES
TAGS: OVIP, (CARTER, JIMMY)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/59a3b5cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014